

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SPECIAL CONTRACT BETWEEN MOUNTAIN)
WATER DISTRICT AND ELKHORN CITY) CASE NO. 2011-00186
FOR THE PROVISION OF WHOLESALE)
WATER SERVICE)

ORDER

Mountain Water District has filed with the Commission a special contract to provide wholesale water service to Elkhorn City, Kentucky and a revised tariff sheet that reflects the schedule of rates for such service and provides for these rates to become effective June 1, 2011. Finding that, pursuant to KRS 278.190, further proceedings are necessary to determine the reasonableness of the proposed contract and rates and that these proceedings cannot be completed prior to June 1, 2011, the Commission HEREBY ORDERS that:

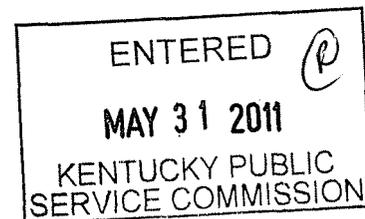
1. This proceeding is established to investigate the reasonableness of the proposed contract and rate revisions.
2. The proposed rates for wholesale water service to Elkhorn City are suspended for five months from June 1, 2011, up to and including October 31, 2011.
3. Mountain Water District shall file with the Commission no later than June 13, 2011, the original and 10 copies of the information identified in the Appendix to this Order, with a copy to all parties of record. Each copy of the information shall be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet shall be appropriately indexed, for example, Item 1(a),

Sheet 2 of 6. Mountain Water District shall include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Mountain Water District shall give careful attention to copied material to ensure its legibility.

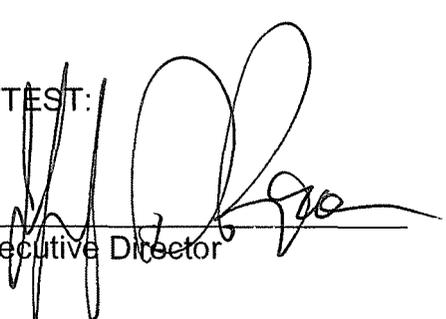
4. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

5. Mountain Water District shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Mountain Water District fails or refuses to furnish all or part of the requested information, Mountain Water District shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00186 DATED **MAY 31 2011**

1. State the reasons the parties entered the proposed contract.
2. Provide a copy of the minutes of each meeting of Mountain Water District's Board of Commissioners since January 1, 2008 in which the proposed contract or the revised rates for water service to Elkhorn City or water service to Elkhorn City was discussed or voted upon.
3. Provide all studies, analyses, and reviews that Mountain District used to develop the proposed contract rates.
4. State the reasons the wholesale rate to Elkhorn City will be higher than the wholesale rate that Mountain District charges to its other wholesale customers.
5. Identify the source of the water that is sold to Elkhorn City.

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